

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **February 22, 2005, Work Session**

AGENDA ITEM NO.: 3

CONSENT:

REGULAR:

CLOSED SESSION:

(Confidential)

ACTION:

INFORMATION:

ITEM TITLE: **Community Market-Task Force Recommendations**

RECOMMENDATION: Approve recommendations of the Community Market Task Force.

SUMMARY: City staff has long held that the Community Market is not realizing its full potential as a vibrant public space and retail center for the downtown. The market is poised for success with the development of the Lofts, Bluff Walk, the development of the antique district, the focus on Twelfth Street and the popularity of special events in the downtown. The City joined with The Friends of the Community Market and Lynch's Landing in contracting with the nonprofit group, Project for Public Spaces, Inc., to study the current conditions of the Market and explore the opportunities for the future. Project for Public Spaces issued their final report in September and a forum was held in October to formally release the report to the public. Subsequently, a task force, comprised of City staff, market vendors, representatives of citizen groups and interested citizens was formed to consider the Project for Public Spaces' report and develop recommendations for City Council's consideration.

The task force met during the months of December and January, and discussed in detail many aspects of the Community Market to include management, design, infrastructure and merchandising. In presenting the recommendations the task force seeks guidance from Council in determining the Community Market's future. The recommendations are those that the task force believes to be the critical decisions needed to move the market into the future.

City staff would also like to take this opportunity to recognize the work and dedication of the task force and thank them for their contribution of time and ideas to the effort. Special recognition is given to Mike Metzger of Genworth Financial for his willingness to facilitate the work of the group. His expertise, time and guidance are greatly appreciated.

PRIOR ACTION(S): none

FISCAL IMPACT:

\$150,000 Design, architectural and engineering services, CIP FY 06 requested, Market Parking Deck Renovation

\$100,000 Design, architectural and engineering services, CIP FY 06 requested, Community Market Interior Renovation

CONTACT(S):

Kay Frazier, 455-5868

ATTACHMENT(S):

Community Market Task Force Recommendations, February 2005

Community Market Task Force, members list

Lynchburg Community Market, Issues and Opportunities- Project for Public Spaces, Inc. report, September 2004,

REVIEWED BY: lkp

Community Market Task Force Recommendations

February 2005

Marketing / Management

Pursue non-profit management of the Community Market, creating a public/private partnership. The partnership can be modeled from other successful partnerships, such as Lynch's Landing and the Lynchburg Hillcats in management of the City Stadium.

- Takes a "business approach"
- Increases the potential for self-sufficiency
- Minimizes politics
- Increases ability to secure external funding
- Strengthens authority of the Market Master
- Taps into entrepreneurial spirit

Continue to fund a full-time Market Manager as part of the management plan/structure.

- Market Manager should have marketing and retail experience/expertise
- Serves as point person for final decisions for Market operations
- Develops and enforces rules and regulations
- Establishes rapport and relationships with vendors and all constituents
- Serves to establish vendor mix policies and recruit appropriate businesses to the Market.

Establish market-driven rental rates.

- Conduct study of rental rates for downtown area
- Conduct comparison study to Community Market rates
- Adjust rates accordingly

Design

Hire architect/engineering firm to redesign the interior of market.

- Renovate interior to increase circulation, improve lighting and create an inviting space
- Design space that is efficient and flexible
- Design space to maximize retail potential

Hire architect/engineering firm to design the "Market Square".

- Creates a public square in the downtown area.
- Improves space for public events
- Improves pedestrian-vehicle flow
- Improves outdoor vendor space
- Improves the façade of the market
- Improves public recognition of the Market and square
- Design for flexibility in use of space
- Design to maximize retail potential

Develop a parking plan to serve the market and development.

- Current parking deck at the Community Market is failing structurally and requires major repair. This project is currently funded in the Capital Improvement Plan.

- Shift the focus of the parking deck to the “Market Square” concept.
- Lynch’s Loft, Bluff Walk and a revitalized Community Market will generate need for additional parking.
 - Continue feasibility study for parking deck to be located at Main and Commerce.
 - Parking deck on east Main is supported by the Downtown Plan.

Merchandising

Establish Marketing Mix as proposed by the Project for Public Spaces report and based on local market research.

- Moves Market towards more financial self sufficiency
- Creates a vibrant retail space that meets needs of consumers
- Creates more demand for retail space
- Adapts to new/changing customer base
- Rental rates are more market-driven
- Encourages diversity in product and vendor mix

Community Market Task Force

Mike Metzger	Genworth Financial, Facilitator
Larry Bassett	Market Customer, Downtown Resident
Nancy Brockman	Friends of the Community Market, Board of Directors
Shirley Carwille	Market Vendor, Crafts
David Moore	Market Vendor, Restaurant
Don Pendleton	Consensus Real Estate
Terri Proffitt	Lynch's Landing, Inc, Executive Director
John Saunders	Market Vendor, Produce
Cindy Sanchez	Market Customer, Event Organizer
John Saunders	Market Vendor, Produce
Rachel Flynn	Department of Community Planning and Development
Kay Frazier	Department of Parks and Recreation
Charles Grant	Department of Public Works, Engineering
Mary Jane Russell	Department of Economic Development

Lynchburg Community Market

Issues and Opportunities

Submitted to:

Lawrence A. Landolt
City of Lynchburg
Parks and Recreation Department
Lynchburg, VA

Submitted by:

David K. O'Neil
Stephen C. Davies
Public Market Collaborative
A Program of Project for Public Spaces, Inc.

September 2004

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Introduction

Public markets are making a comeback in American and Canadian cities. From Seattle, Washington, to Baltimore, Maryland, historic public market halls and districts have been redeveloped and upgraded, allowing them to compete in a contemporary retailing environment while still retaining their essential, authentic elements. New public market halls have been developed in Toledo, Ohio; Little Rock, Arkansas; Nashville, Tennessee; and Portland, Maine as well as in Canadian cities such as Vancouver and Montreal. At the same time, public markets in the open-air, including many farmers markets and craft markets, have sprung up in cities throughout the country -- attracting people back to the public spaces of their downtowns and neighborhoods. Whether in the form of weekly outdoor markets that convene only in the warmer months, indoor market halls that operate every day year round, or entire market districts, a number of American cities are finding that public markets are providing an effective strategy for economic development which brings new life to public spaces and which creates a focal point for community life.

Over the past 30 years, Project for Public Spaces, Inc. (PPS) has worked with nearly 800 communities throughout the U.S. and abroad to help make their public spaces more active, attractive, comfortable, usable, and economically viable. PPS formed the Public Market Collaborative (PMC) in 1987 to further the preservation and establishment of public markets through research and education programs, and through assistance to communities in market development, renewal, and operations.

Report Summary

The Lynchburg Community Market, one of the oldest in the United States, is an important social as well as commercial gathering place. Now in its third century, the market has moved several times, continually adapting to a changing environment. The market is poised, once again, to bolster its role as a key civic institution and economic engine.

The City of Lynchburg asked PPS to take a critical look at the issues and opportunities facing Lynchburg's historic Community Market and make recommendations to strengthen the market's future as a catalyst for the local economy and as an anchor for stimulating development and investment downtown.

The current revival of downtown Lynchburg is largely centered around the market. Storefront retail is making a comeback, empty buildings are being converted to loft apartments and parties and events drawing thousands on summer nights take place in front of the market.

To capitalize on these positive developments, the market must take the initiative to build on its strengths and correct its weaknesses. This report categorizes issues and opportunities for design, merchandising, management and operations, parking and funding. The goals of this report are to give the Lynchburg Community Market (LCM) a strategic framework to increase sales and customer visits, move towards more sustainable operations, build on the momentum of investment surrounding the market and create a stronger sense of place. Lastly, a series of next steps are recommended to move the market agenda forward in a constructive and achievable manner.

Study Process

Before conducting its site visit, PPS reviewed historic and contemporary market documents provided by the City of Lynchburg including: the USDA report of 1983; 'Lynchburg Community Market 1983-1993' compiled by Robert P. Merchant, research assistant at the Lynchburg State Museum; Business Plan and Annual Report 2001, Lynchburg Parks and Recreation Division; Lease and rental documents; revenue reports, Vendor Handbook, Community Market Annual Report 1998-1999; Harrison and Hardison architectural site plans 1996 and miscellaneous photo and historic materials.

The PPS team, David O'Neil and Stephen Davies, visited Lynchburg July 22-24, 2004. Meetings were held with stakeholder groups (City staff, Lynch's Landing, Inc., Lynchburg Regional Chamber of Commerce, The Friends of the Lynchburg Community Market, City Council representatives, downtown merchants and market vendors) and a Community Market Public Forum was held in the Bank of James Building. The downtown was toured as were surrounding residential areas within the trade area of the market. The market was observed both during operations and when it was empty. The Market basement and Armory were toured. Friday Cheers was also visited and observed. Surrounding properties currently slated for rehab including the James T. Davis building, 1225 Main and the former Piggly Wiggly were also made available for inspection.

ABOUT PUBLIC MARKETS

The reasons for the renaissance of public markets, one of the oldest and most universal forms of retail trade, are diverse. Cities looking to bring consistent activity to their public spaces are using regularly scheduled markets to transform streets, plazas, and parking lots into bustling "people places," alive with vitality and commerce. Public markets are valued because they create common ground in the community, where people feel comfortable to mix, mingle, and enjoy the serendipitous pleasures of strolling, socializing, people-watching, and shopping in a special environment. Others see public markets as an effective way to support local economic development and small businesses in their city. As a means for the distribution of needed goods and services, market merchants and vendors provide farm fresh fruits and vegetables, ethnic foods, crafts, and personal services that are often unavailable elsewhere at the same level of quality, variety, and price. People are rediscovering that public markets, with their emphasis on locally grown, locally made, and locally owned businesses, accentuate the qualities that make their community special.

Although start-up costs generally require public or philanthropic support, successful public markets operate self-sufficiently, and can fulfill an often elusive principle of public-private partnership: the achievement of public sector goals through the harnessing of private sector means. They are a proven vehicle for non-profit and the public sector to get involved with entrepreneurial activity.

What is a Public Market?

The term "public market" has changed in meaning over time and still differs between places. Traditionally, in the United States, a public market has been defined as a municipally owned and operated building where vendors sell fresh food from open stalls. While some public markets still match this definition, public markets now come in many shapes and settings, offer a wide range of different products, and are owned and operated by various types of organizations, not just city/local governments.

At their most basic, markets include vendors or merchants who meet at the same location on a regular basis, a sponsoring entity that has legal and financial responsibility and that oversees operations, and, in some cases, structures or facilities to house the market activity.

Public Markets: A Business Enterprise... with Public Benefits

Public markets achieve a variety of public goals, including attracting shoppers to a commercial district, providing affordable retailing opportunities to small businesses, preserving farming or farmland in the region, activating an under used public space, or creating an inviting, safe, and lively public place that attracts a wide range of people. As

an effective place where people mix, public markets can become the heart and soul of a community, its common ground, a place where people interact easily and a setting where other community activities take place.

A public market can achieve these benefits over time only if it is operated in a business-like manner and pays for the full cost of operation within the first several years of start-up. Public markets require constant, on-site management and promotion, as they operate in a highly competitive retail environment where there is a great deal of choice for the consumer. Because of their focus on fulfilling public goals, public markets typically require assistance to cover the costs of start-up and capital development. However, long-term operating subsidies tend to suggest that the market is not being operated in a business-like manner, with adequate effort going to attract the mix of vendors and customers, which could make the market self-sufficient.

This emphasis on the business aspects of developing and running a public market should not diminish the importance of community benefits. In practice, the market sponsor must artfully blend the economic imperatives with the greater good. Market sponsors face the difficult task of balancing the market's public goals with the hard-nosed economic realities of developing a viable, competitive, and self-supporting business activity. In general, social benefits of public markets come from economic strength, not the other way around.

Forms of Public Markets

Markets have been developed or redeveloped in a wide variety of physical shapes and configurations. These forms can be viewed along a spectrum, from simple and temporary at one end, to complex and permanent at the other. These different forms are not necessarily cast in stone, as a market can evolve from the simpler open-air approach to the more complex indoor market hall over time.

While many combinations and variations exist in between, there are four basic forms:

Open Air Markets

At the simple end of the spectrum are markets which take place on a seasonal basis and meet once or twice a week in the open-air. The site might be a plaza, street, or parking lot with little or no site improvements. Vendors bring their own tables and umbrellas or canopies and all trace of the market is removed at the end of the day. Most of the country's nearly 2,700 farmers markets take this form, as well as many craft and flea markets (which may or may not be considered public markets, depending on whether they have public goals and meet the other established criteria). On days when open-air markets do not operate, there might be little or no physical indication of their existence. Without buildings or the need to own property, open-air markets can be inexpensive to develop and operate.

Covered Markets

A more complex form of market includes some kind of overhead structure, similar to a shed roof. In this form, the market retains an open air orientation, but vendors and customers are protected from the weather, and the market assumes an air of permanence because the structure remains in place even if the market operates only several days each week. Sometimes shed roof structures are used in other ways on days when the market does not operate, such as covering a parking area. In other cases, a market will use an existing structure, such as a highway overpass or the portico of a building. The Toledo Farmers Market and the Richmond (Virginia) Farmers Market are both examples of markets with open structures.

Market Halls

Public market halls or enclosed buildings--often of historic significance--represent a substantial step forward in terms of complexity, risk, and potential reward. Indoor markets must be on property that is completely devoted to the market activity. Merchants generally sell throughout the year, six days per week, although some indoor markets operate only several days per week. To supplement their full-time tenants, many indoor markets have part-time vendors, such as farmers and crafts people, who sell from "day tables." Day tables are spaces within the market that can be rented by the day or for the short-term. They serve to bring new or seasonal products into the market and encourage fledgling entrepreneurs to get started in retailing by offering inexpensive space without the need for commitment to a lease.

In large indoor public markets, customers can find a tremendous selection of produce, dairy products, bakery goods, meat, poultry, seafood, coffees, teas, and spices. On this large scale, the number and diversity of vendors creates a critical mass that can attract customers from throughout the city. However, successfully operating a large market hall generally necessitates long hours and operation on the weekend, when most shopping at public markets takes place. Complex building systems, storage, and refrigeration make market halls a considerable investment for sponsors and merchants alike. While the costs and effort needed to maintain these large markets are great, the potential benefits to the community are considerable and can justify the large expenditures of time and money.

Most public markets in traditional buildings somehow managed to survive post-World War II shift of food buying to supermarkets. Market Halls in Philadelphia (Reading Terminal), Lancaster, PA, Baltimore, Washington, DC (Eastern Market), Cleveland, Buffalo, and Los Angeles (Grand Central Market) are examples of market halls largely built over 50 years ago which are still operating and, in most cases, thriving today. Many cities have developed new public market halls over the past twenty years. One of the most successful is the Granville Island Public Market, the centerpiece for a major waterfront redevelopment of a dilapidated industrial island adjacent to the downtown. Other new downtown markets have opened in Toledo, Ohio; Portland, Maine; Nashville, Tennessee; Little Rock, Arkansas; and are in planning stages in Asheville, NC; Burlington, VT; Boston, MA; and other cities.

Market Districts

In their most evolved state, public markets become the centers of districts where related businesses choose to locate, creating a highly synergistic and dynamic economic zone. Once the market activity is established, and people are drawn to it on a regular basis, complementary businesses such as restaurants, specialty food stores, and neighborhood services will locate nearby, filling vacant storefronts and, thereby, renewing urban areas.

Some market districts have strict and legally enforceable use and architectural controls to maintain the district's flavor and purpose, as well as common management and marketing efforts. In these cases, preference is given to fresh-food and related businesses and those serving a diversity of economic and ethnic groups, as well as start-up businesses. Pike Place Market in Seattle, generally recognized as the premier public market in the United States, and Roanoke City Market are both examples of thriving market districts in historic areas, which have been revitalized by the market activity.

Evolution of Markets

Finally, it is important to stress that many of today's large, successful public markets evolved from modest beginnings, with little initial capital investment. Pike Place Market began with farmers selling produce in the open air on a downtown street; today the Market includes hundreds of farmers, craftspeople, and independent businesses. The Greenmarket program in New York City got its start with one location in 1975; today, Greenmarket operates over twenty different farmers markets throughout the city, some of which function year-round. A potential sponsor with limited resources can start its involvement with public markets by conceptualizing and developing a low capital, open-air market that operates once per week for several months. Even at this scale, the market can provide a significant, positive impact on the life of the community. With time and experience, and with ground-level success, the market can be expanded to take advantage of new opportunities that will broaden its impact.

Note: This section was adapted from Project for Public Spaces' book, Public Markets and Community Revitalization, co-published in 1995 with the Urban Land Institute.

A Brief History of the Lynchburg Community Market

(Adapted from “The Lynchburg Community Market, 1783-1985” by Robert P. Merchant and Patricia A. Hobbs)

Lynchburg’s long and proud market history dates back to 1783 when the first market building was erected in the center of what was then called Water Street (now Ninth Street) between Main and Church. This central location was testament to the market’s importance as a hub of the local economy and also as a valued social gathering place for the citizenry. The modest market had only several covered stalls. Early lithographs show farmers and vendors also selling in the open air on the grounds and street surrounding the market. It was deemed to small almost from the beginning and was modified over time with additions for more stalls and storage for a fire engine and ladders.

As the town continued to grow and commerce increased, the early market was eventually replaced in 1814 by a more commodious structure (‘fifty feet long on stone pillars, 16 feet wide and 8 feet high’) again built in the center of Water Street, on the southwest side of Church Street. The market was open six days a week and closed on Sundays. It was not unusual for the empty market to be used by street preachers during the evenings, many drawing large crowds. Legal notices were posted at the market as well as the court house, again emphasizing the importance of the market as a civic gathering place.

The arrival of the railroad increased the availability of produce and the Town Council again recommended enlarging the market as early as 1852. The old market was increasingly looked upon as a nuisance and was described by a leading historian as ‘an intolerable old sore’. New sites were discussed for years, but it was not until well after the Civil War in 1869 that the issue was formally considered by a resolution. In the spring of 1872, the city finally settled upon a site on Main Street, between 11th and 12th Streets as the preferred location for a new market and put out a request for plans. Two plans were submitted, one was accepted and the market was completed in November of 1873. It was a grand brick edifice fronting on Main Street and extending back 132 feet. The market operated on two stories– the first floor on Main Street consisted mostly of meats and a lower floor entered from the rear sold vegetables. The market was aptly known as the Main Street Market.

Ever restless with their market, Lynchburg began deliberations once more in 1907 to replace the Main Street Market and in 1909 approved plans for a new market building with an auditorium on the same site as the 1873 market house. The old market was demolished and the new one opened in October of 1910 with a handsome arched façade welcoming patrons from Main Street. Operations continued apace until 1924 when the city sold the building and the new owners continued to run the market as a ‘private’ entity through 1930. A farmer’s cooperative formed in 1924 and some of the old market vendors relocated and sold their wares out of a building at 1127 Main Street.

The current Lynchburg Community Market and Armory was built on the site of the old Pace's warehouse and opened July 2, 1932. Attendance by vendors and customers began declining in the mid-1950's (this was common in public markets throughout the country) due to suburbanization, growth of the supermarkets, loss of farms and a declining population in the city.

But public markets and cities have been steadily rebounding since the 1980's and Lynchburg is no exception. Major renovations to the market were completed in January of 1987 adding attractive landscaping, parking, outdoor farmer stalls and enclosing and heating the indoor market.

Today, as the revival of downtown continues, Lynchburg is once again looking to upgrade its market as a centerpiece to attract new businesses, residents and visitors.

Lynchburg Community Market

Issues and Opportunities

Design Issues

The most memorable and enjoyable part of any market is the ‘experience’ – and sensitive design should always respect and reinforce this. Good design invites customers to explore and participate in the market rituals, and encourages people to spend more time and money because of the pleasant social and commercial environment.

The design and configuration of the Lynchburg Community Market (LCM) has changed over time since the building opened in 1932. The original market ‘place’ fortified by high brick walls surrounding a courtyard is gone. Today, a surface parking lot and an open-sided farmers shed are the focal points. The facade of the building, set well back from the street, has no market identity or sense of retail and is not particularly inviting or attractive. Loyal shoppers know this is the market, but it is not obvious to non-market shoppers or visitors. The consultants had practically driven past the market when they realized where they were.

The interior of the market building needs freshening. The lighting is poor, the circulation creates dead zones and the merchandising is weak. This is particularly glaring during the week when there are no farmers.

The market has a parking ‘problem’ and the 1.3 million dollars allocated for repairs to the market ‘deck’ are probably better spent elsewhere and to better effect. Parking inventory can also be better managed and this is addressed elsewhere in this report.

The great opportunity here is to recreate a sense of market *and* place, skillfully integrating social and commercial functions into a whole that is useful as a market, attractive as a gathering place and catalytic for the surrounding district.

Design Opportunities

Establish a Design Master Plan

The LCM should invest in a design master plan to coordinate all interior, exterior and district improvements. Rather than taking an ad hoc approach, the market would be better served in the long term if monies were spent on capital improvements that adhered to a cohesive plan. This would encompass vendor spaces, the market façade, interior, basement, shed, parking, signage, lighting and access points.

Establish Tenant Design Criteria

The market should develop detailed design criteria to steer all future improvements to interior and exterior vendor stalls. The design criteria would address: counter heights, demising partitions, merchandising, display, lighting, materials, storage, signage, code issues and utilities.

The intent of the criteria is to give tenants a framework in which they can express their own creativity while preserving certain overall market characteristics such as sight lines, interface between stalls, sanitation and design integration.

Create a Market Square

During our meetings with constituent groups it was generally agreed that the market is the de facto town square of Lynchburg. The resurgent retail and residential activity surrounding the market are testament to this.

The market as ‘market square’ adds more dimension, usefulness and civic value to the public space. It becomes an amenity for new residents not only as a place to buy foods but as a public square. For retailers, the square is a valuable attraction that brings customers and gives a sense of space and one of the few level places of any consequence in the heavily sloped downtown. The square becomes a promotable attraction and source of civic pride showcasing assets of downtown and the region.

Thinking of the market as more than just a place to buy tomatoes on Saturday – and to see it as one of the most important civic spaces even when the market is not operating will actually improve the market and make it a more desirable commercial and social institution.

A “Market Square” in Lynchburg would require evolution of the space between the building and Main Street (today, it looks like a parking lot) to something more multi-functional, useful, attractive and enjoyable. A market square is a civic place where the market operates and when the market is not in operation functions much as an urban park for contemplation, passing time, people watching and for more organized events such as concerts, festivals and shows. Design elements and public amenities could include: grass, trees, sculpture, lighting, hard paths, ADA accessibility as well as areas that could be used for parking, vending and events, public seating, drinking fountains and

restrooms. The trick here is to create a square that will attract a diverse community of users without over designing it and inadvertently having the opposite effect. A community based design planning process is an effective way to get the vision started.

As one of the largest, centrally located, *level* public places in the city, Lynchburg's Market Square would be a cherished asset and a strong attraction for new residents moving into downtown. Urban dwellers, office workers and visitors need public places to go that are safe, attractive and conducive to socializing or just being alone. The reclaimed areas along the riverfront are incorporating many of these elements but the commercial/retail/office/residential zone has few places of refuge.

Create a Market District

The market already anchors what is essentially a market district in the making. This could be formalized and extended several blocks on Main Street to encompass additional retail and buildings converting to residences adding 109 units within two blocks of the market. Banners could be hung on street poles to 'mark' the district. This would help to define the area as one with distinction and a strong identity as part of downtown. The idea of a district will encourage vendors and residents to support each other and combine their energies, ideas and promotional resources for the greater good. Occasional street closures for special events will reinforce this.

A more formal approach to a market district would establish actual boundaries and within which there would be guidelines for uses and design. This is currently done at the Pike Place Market in Seattle which has an ordinance that was adopted by City Council in 1980. A market district ordinance establishes the philosophy of the district to preserve the character and flavor of the market for all time. In Seattle, it is administered by a twelve citizen commission with the aid and cooperation of the City's Department of Community Development.

The goals of a market district are guided by legal and zoning controls to preserve the market as a place for farmers and small, owner operated shops. It also looks to maintain the market as a place which will appeal to a wide variety of shoppers including low and moderate income groups. Other elements would include sidewalk dining, signage, façade restoration, public art, drinking fountains, public restrooms and lighting.

A formal market district would need the approval of property owners within the district which may preclude this approach in Lynchburg.

Alternatively, an informal market district operates in the spirit of the formal district, yet has few if any legal controls in place. The informal district operates on a cooperative or volunteer basis with the city taking the lead as the owner of public property, streets, sidewalks and the market and armory. This is more of a 'branding' approach reinforced with advertising, graphics and streetscape improvements.

Chamber of Commerce Visitor Center

The interior of the market needs intensification of uses, one possible consideration is the relocation of the Visitors Center to the inside of the market which would add life to the market and attract more potential customers. There may also be some shared operating savings for the center and the market. The current location of the Visitors Center seems hard to find unless you already know its location.

Interface with James T. Davis Building

The imminent conversion of the James T. Davis Building into retail and apartments shows the value of advancing the market square concept and accelerates the need to develop a Design Master Plan to interface effectively with this property.

The building's retail entrances on Main Street and interior ground floor is lower than market square. Direct pedestrian access from the building to the market is problematic and expensive; however, there are reasonable alternatives.

The side of the James T. Davis building frames the market square, adding vitality, color and life. Likewise, the residents on the upper floors will have views onto the square, market, Main Street and city. The attractiveness and activity of the square will be a focal point for these permanent residents.

The rear of the James T. Davis Building is adjacent to a cold storage box used by market tenants and a set of entrance doors into the market. This is an unwelcoming and unattractive area that begs for improvement. The cooler can be relocated. The impetus to do so, with the advent of a market square and adaptive reuse of James T. Davis, is now obvious.

There are two obvious points of interface. The first is on the square itself, which would require adding a new entrance (and stairs to account for the level change) from the side of James T. Davis onto the square. The second interface opportunity is from the rear of James T. Davis into the existing market entrance through the space now occupied by the cold storage.

Interfacing the market and James T. Davis can be enhanced with signage, lighting and the already planned restoration of the historic windows that open onto the market square. Customers and city strollers in market square will be pleased to look in the windows at attractive retail displays and activities. The synergy between the two properties will create a strength that neither would be able to produce on their own.

Improve Interior Circulation

As noted, the stall grid does not promote even customer circulation to all areas of the market. Most of the retail activity occurs on the first aisle. The interior aisles should be reconfigured ninety degrees to open up the 'rear' of the market.

The perimeter stalls, most of which are serving prepared food, are walk-in establishments. This is contrary to most markets which require vendors to merchandise and display onto the aisle. Requiring customers to walk inside a stall takes energy away from the market floor and also reduces the sales potential for perimeter vendors. If these spaces were redesigned to face and display merchandise onto the market aisle they would see an increase in sales, and the market would see an increase in visual activity. Remember, that people buy with their eyes first – and if you can't see it, you are much less likely to buy it.

Reconfigure Interior Seating and Create Center Courtyard

Two separate seating areas flank the prepared food stalls on either end of the market. Relocating and combining these two areas into the center of the market would create a stronger social atmosphere. This 'center' of the market could also be used effectively for special events both during and after market hours. The redesign of the interior stall layout and circulation areas could transform the existing seating areas into merchandise zones.

Color Correct the Interior Lighting

Lighting is the narrator of the retail experience and tells the market 'story'. The effect of lighting is largely a subliminal factor, yet if done effectively it can be extremely powerful and productive.

The LCM ceiling mounted light fixtures are less than satisfactory. The lights discolor merchandise and also give people's skin a greenish-yellow pallor. The interior light level is also too low and the market feels dark and cold in many areas.

LCM should add color corrected lighting fixtures for the general interior and also consider adding vendor lighting to highlight product sales areas.

Make the Façade Retail Friendly

The front of the building – its foremost asset from a retail point of view – is basically used for vendors parking. This is definitely a lost opportunity and the market would be dramatically improved if it presented a positive appearance.

Today, the façade is more of a barrier than an invitation to customers. Improved lighting, additional entrances, signage, merchandising and display should be foremost in any changes to the façade. Right now, it looks and functions like the back of a building instead of the front. The design master plan must address this essential element to enhance to attractiveness of the market and to increase the retail value of the space.

Improve the Market Shed and Outdoor Vending

One of the market's needs is to increase the length of the season and attract more customers to shed in the cooler weather. The shed could be fully covered and weatherproofing (side tarps, heaters) could be added.

The sheds could also be extended to other parts of the square as part of an overall plan.

Redirect the \$1.3 million for parking underneath Market Square to Piggly Wiggly.

Spending this large sum to only add 22 spaces (almost \$60,000 per space) is ill advised. The money would be better spent on other market improvements that will accrue more benefit to the city, the market and the market district.

Parking demand will increase with the renovation of Piggly Wiggly, 1225 and the James T. Davis Building. Erecting a parking deck in the sunken lot next to Piggly Wiggly will alleviate new parking pressure. This is a gateway location for people entering the city and the design should be sensitive to its context.

Make it Easier to Find the Market

Identity and accessibility can be improved by integrating directional signage for the market into the broader program planned for downtown.

Improve Access to Downtown

Drivers coming into downtown Lynchburg using Concord Turnpike often incur a delay at the railroad switching at the Rock-Tenn factory and again at the railroad crossing at Washington Street. Creation of a route that provides unobstructed access into downtown via Concord Turnpike should be researched and implemented to give unimpeded access. The unpredictable and often lengthy delays have the effect of discouraging persons from driving to downtown Lynchburg (and the Market) along this route.

A participant at the Market Vendor stakeholder meeting stated that making improvements to an existing graded route could provide an alternative that would run parallel along the railroad tracks from the current railroad crossing at the Rock-Tenn factory to Garnet Street without crossing the railroad tracks. The result would be an unobstructed roadway into downtown from east of the City. Matters concerning access rights and property ownership issues are unknown by this consultant, however, the underlying issue of unobstructed access is critically important to the market and all of downtown.

Merchandising *Issues*

Personable, knowledgeable vendors and quality products are the two key elements in any successful market. The building, parking, advertising, maintenance, location and management are also vital, but secondary to the people, products and personalities. In survey after survey, customers say they are attracted to a market for quality products and the experience. Results from past surveys with LCM shoppers indicate the same is true here.

Local farm and fresh food products are what customers need and buy the most. They are the core of successful markets. Sales at the LCM are largely driven by fresh farm and food products. Indeed, many vendors told us that the good majority of their sales occur on Saturday when the farmers and fresh food vendors are set up in force. Prepared food and craft vendors at LCM both add positively to the market experience but they are secondary in terms of merchandising appeal and are largely dependent on traffic generated by farmers and fresh food vendors. This is normal and expected in a public market.

The allocation of space for prepared foods, non-foods and crafts is disproportionate vis a vis space allocation for farm and fresh foods. This is particularly obvious in the colder months when few farmers sell at the market. Expanding permanent, year round fresh food offerings at the market will also be welcomed by the growing downtown residential population.

Without clear policies, the market merchandising will continue to drift and weaken.

Merchandising *Opportunities*

Build on the fresh and local food base

The future growth of the market should build on its fresh food basis, especially things that are locally raised and produced such fruits and vegetables, meats, poultry, cheese, baked goods, plants and flowers, etc. As this core of the market builds, so will the sales of the prepared food and craft vendors.

Attract new vendors

Management must attract specialized vendors who can bolster the fresh food basis of the market.

Improving the overall design and comfort level will make it easier to induce new businesses to locate in LCM, and will make it more appealing for customers, especially the growing residential population. In fact, part of the justification for investing in the market is that it can be a powerful amenity for those considering moving into downtown. Many cities have found that proximity to a public market is one of the great selling points to attract new residents. These people are making a commitment to downtown and do not want to drive to malls in the suburbs.

Another possibility for some of the larger spaces is to lease space to small wholesalers and caterers who are not entirely dependent on market customer flow. Businesses making things on site become an attraction in their own right. The market should become the food hub for small scale producers, all of whom would gain by clustering and creating a center for the food community

Another merchandising opportunity for the market is a small grocer who would carry staples (milk, butter, newspapers, deli, etc.) catering to downtown residents.

Renewed leasing effort

The leasing and outreach effort requires persistence and focus and is an essential responsibility of management. Competition in the food arena is cutthroat and the most defensible advantage the market has with competition is that it can be the source for local, fresh foods and become a center point for regional agriculture and local production. Clustering small, local businesses in the LCM is really central to its historic mission and key to its revival.

Attract More Farmers and Producers

Farmers are the big draw at city markets and Lynchburg is no exception. More farmers and food producers (smoked products, baked goods, cheese, etc.) will add to the drawing power of the market. Farmers are looking for strong retail outlets and will travel hours to get there if the market trade warrants it. Visiting other markets in the region, including Roanoke, is a good way to get new vendor contacts.

Encourage Crafters to Work on Site

Market shoppers like to see action, and if LCM crafters were encouraged to make things on site it would add to the atmosphere and all important 'experience'.

Get anchor-type permanent tenants

The market needs to work with the existing businesses to build their stock, displays, identity and focus. This can be done with training and encouragement. New businesses need to have a stronger retail presence, product base and specialization to build the competitive base of the market.

Intensify displays and space usage

The interior of the market building at 18,000 square feet (approximately) is perhaps too large and there is a lot of empty space. The space needs more intensification. This can be achieved by creating more vendor spaces and working with vendors to 'pile it high and watch it fly'. One of the downsides of low priced rents is that vendors tend not to think of space as a valued commodity and many of their displays are diffused. Again,

adding a central seating area/event space would also be beneficial to intensify usage of the space.

Create more outdoor vending space

The outdoor ‘market square’ expands the merchandising zone for the LCM into what is now just a parking lot. The design for the square should anticipate and accommodate temporary vending areas for more farmers and producers. Certain spaces should also be for ‘off-loading’ only, whereby the vendor will have to unload merchandise in a designated selling zone and park their vehicle in a remote area, not adjacent to the space. The market square will attract new users and uses during non-market hours and should not be designed primarily as a parking lot.

Clarify rental and space allocation priorities

Space allocation and prioritization policies need to be established to address the goals and mission of the market. As the market gets busier this will become more of an issue and the policy needs to be clear, fair and enforceable.

Today’s low rents have the unintended consequence of not discouraging vendors from renting space defensively or not even showing up at all. This stifles new vendors who may want to get in the market.

Management and Operations *Issues*

The LCM is owned and by the City of Lynchburg and operated by its' Department of Parks and Recreation. The staff is responsible for the market, the Armory and Criminal Justice Academy. An annual operating shortfall of nearly \$200,000 is covered by the City while market, armory and event rentals generate about \$80,000 per year.

There are many challenges facing the market today, both internal and external. To grow and compete more effectively, management must to take on additional responsibilities and be more entrepreneurial. Basic housekeeping issues such as maintenance and site management require immediate attention often leaving strategic, growth oriented initiatives behind. The recommendations in this report are extensive and will require a change in 'business as usual' without losing today's sense of camaraderie, community and comfort. It is not an easy charge, and many decisions will be difficult.

Management and Operations *Opportunities*

Consider alternate management options

Historically, cities managed their markets as caretakers, rather than entrepreneurs. Increased competition in the food and retail industries has made the task of running municipal markets more difficult and demanding.

Today, the responsibilities of market management still require basic caretaking, rent collection, maintenance and security. However, to compete effectively, management must rely more and more on retail skills, merchandising, tenant recruitment and retention, promotion, mediation, partnering and fundraising. Entrenched habits and political interference often act as barriers to innovation and keep a market from realizing its potential. Public management is often (but not always) undermined by a political culture that is more intent on keeping the peace than keeping pace.

Many older city markets have transferred management to not-for-profit public corporations whose sole charge is to run the market. This must be done very carefully to ensure that the public goals of the market are not sacrificed and that the institution continues to serve the public goals.

There was nothing in the observations or meetings that led the consultants to believe management was not doing a good job under the circumstances. The facilities in fact seemed to run relatively smoothly and were well maintained.

A few examples of the many markets which successfully transferred management to an outside entity include Roanoke City Market (VA), Pike Place Market in Seattle, Reading Terminal Market in Philadelphia and City Market in Kansas City. Examples of the

specific types of management entities include: Market Commission, Market Authority, outside management contract with a private management company, private not for profit corporation and a public not for profit corporation.

It is our opinion that Lynchburg could safely transfer management of the market to a suitable non-profit entity and actually enhance the market in the process. This is not meant as a criticism of the current management – it is based on an understanding of the structural shortcomings of any city when it comes to market management.

Transfer of market management (the city would still own and retain a to-be-defined role in the market) would achieve the following:

- Increase fundraising capability
- Encourage outside partnerships and sponsors
- De-politicize decision making
- Entrepreneurialize day to day operations and strategy
- Allow the market to compete more effectively
- Increase resources

Assess the Fairness of Market Fees and Rents

Total annual market, armory and event rentals are approximately \$80,000. Even if the market were to operate at 100% occupancy year round, total revenues for indoor and outdoor spaces and the cooler would still be less than \$60,000 a year. The balance of income is generated by event and armory rentals. Even though market rents are on a par with downtown storefronts, comparison is inaccurate because tenants use much less space at the market. Common area charges that retailers normally pay for in a shopping mall are also not factored into the LCM rents.

Raising rents is always a volatile issue, but must be discussed rationally. The vendors and farmers would all like to see sales increase so they could put more money in their pockets at the end of the year. Rents are essentially a tool that can build sales. The city as rent collector merely acts as a conduit and redirects rents into maintenance, management and advertising. There is no ‘profit’ in rent for the city. As Landlord and steward of the market the City must raise rents when it is appropriate to do so. Without having a sense of what sales levels are in the market it is difficult for the consultants to make a recommendation about future rent levels. As a guide, many markets consider it fair to charge rents that are in the four to ten percent range of sales. Some farmers markets even have an honor system of rents, whereby tenants pay seven percent of sales as rent. Rent is a way to reinvest in the market. The more money that goes into rents – the more money there is to put back into market operations to enhance the all important ‘market experience’ which bring more customers which will increase sales and profits for vendors.

The issue of rent needs to be considered more broadly in terms of sales. If the debate only looks at rent it risks becoming an ‘us versus them’, ‘small merchant versus big city’

issue and is politically untenable and irresolvable. Rent is a means not an end. Farmers certainly know the importance of building the soil and to increase yield you must maintain the health of the soil. The same is true of markets.

Rents and fees for events and the armory seem low in relation to the time, effort and money that management expends maintaining the facilities year round and providing direct services to the lessees. Also, the consultants were told on multiple occasions that events were often an inhibitor to market trade, although it was acknowledged they do bring new faces to the LCM. More events are needed that support the core shopping goals of the market.

The \$200,000 operating shortfall of LCM is not a pure 'loss'. The market is a job creator, vital social institution and a catalyst for downtown activity and investment that is beginning to show handsome dividends. It is the anchor of what is becoming one of the most valuable real estate districts in the city.

Adjust the Rules and Regulations to Reflect the Goals of the Market

A review of the rules and regulations indicate that consistent enforcement is lax, especially with regards to: use clauses and permissible products offered for sale, hours of operation, space allocation and farmers selling products they do not raise. If the rules are not working they can be changed, but if they are not enforceable as a whole, it makes management's job more difficult to enforce any of them.

Create a Realistic Market Operating Schedule

The LCM is essentially a Saturday market. Many of the weekly vendors said they do 90% of their business on Saturday.

Customers who make a special trip to visit the market during the week are bound to be disappointed, and rightfully so. The credibility of the market's advertising is also weakened with a largely empty market Monday through Friday.

The operating expenses of heating, ventilating, air conditioning, management and maintenance are constant during the week and add disproportionately to the overhead of the LCM. During the week the LCM underperforms as a food court with a smattering of craft vendors.

Once design improvements and the market square are in place, the LCM will be better able to justify six day a week operations. Today, the value of operating the market six days is very questionable and it certainly loses money operationally. A two or three day market would seem more sensible and would enable the market to concentrate on building another solid day or two of trade in addition to Saturday, rather than dissipating its slim resources.

Build up the Friends of the Market

The Friends have been a great partner for the market adding needed resources, time and money. They represent a valuable partner and can play a stronger role helping to plan and implement changes to ensure a long and healthy future for the market. Their fundraising efforts are laudable and ought to grow commensurately with the goals and plans for the market and downtown.

Provide Business Assistance and Incubation Services

Markets are inherently business incubators, providing affordable, small scale opportunities for startup operations. Most of the ‘incubation’ in markets is internal and it is common for a market operator to start out quite small and grow within the market moving to a larger space or graduating from a part time day stall to a permanent stall. Some market businesses grow enough to open other locations, although most do not leave the market, preferring to keep a good thing going. It is not in the interests of the market to have successful businesses leave. The market’s role as incubator, therefore, is to provide the space and opportunity to nurture a fledgling operation into a profitable one. Opening a business in a market is generally the least expensive option – certainly less costly than a strip mall or storefront.

Many prospective market tenants would benefit if the city (or other business service organization) provided assistance with business education and planning. Some vendors tend to be independent and prefer to go it on their own. But for those who seek help, it would be most welcome and help move them onto the path of having their own business.

Use College Community Service Volunteers

One of the ways the market can reach out and begin attracting younger shoppers is to tap into the college volunteer programs. These enthusiastic students have the energy, enthusiasm and mindset to innovate and contribute in ways that will appeal to the youth market.

Stretch the Advertising and Promotion Budget

Most markets have limited advertising funds and rely on outside partnerships and public relations to get a bigger bang for their buck. The market is a great venue that has appeal to others. For instance, one market got an HMO to sponsor a weekday farmers market. The HMO paid for an entire ad campaign as their way of promoting community health by getting people to eat more local, fresh fruits and vegetables. Reaching out to forge creative partnerships will help maximize limited funds.

Have a clear and well managed parking program.

Parking is more of a perceived problem than an actual one. There is considerable inventory within a block or two of the market. If properly managed, signed and publicized a parking awareness campaign will do much to alleviate the ‘parking problem’. Beyond a two or three block radius there are many empty multi-story garages. Too much inventory or underused parking can be a slippery slope to even worse

problems. Too many parking garages erode the vitality of city sidewalks and are too often built to accommodate suburban office workers who don't even shop in town.

Have market porters available on Saturday

Work with youth groups to set up a market porter system to help customers carry packages to their cars. Porters should be clearly identified (armbands, hats, or tee shirts) and screened to provide shoppers with a reliable and courteous service. Porters can work for tips. This is also a form of outreach and involves more citizens into the market.

Establish a pick-up zone in front of the market.

Create an attended, curbside pick up zone in front of the market. (This can also be the station for market porters) Patrons would leave their packages at this location, get their car, pull up and have their packages put into their vehicle.

Cut a parking deal with the owner of the lot at the corner of 12th and Main.

The lot behind the Salvadoran/Mexican restaurant is posted 'for restaurant patrons only'. During our observation on a Saturday it was mostly empty. The owner of this lot is one of the principal investors in downtown's revitalization and should be approached to cut a deal to open the lot for market patrons.

Next Steps

1) Establish a Market Task Force

This will bring focus to the formidable tasks at hand and should be comprised of relevant city, market, civic and downtown parties. This can be an ex-officio group that acts as an advisor to the City and formulates strategy, direction and recommendations. They should also visit other markets for ideas and inspiration. This group can also take the lead on the idea of the market square and conduct a visioning workshop.

2) Immediately begin outreaching to the developer of the James T. Davis Building

Time is of the essence here, and this needs immediate attention.

3) Collect Data

Conduct surveys, do research, visit markets and enlist partners to better understand the following:

What are the obstacles for attracting shoppers who do not patronize LCM?

What is the pool of potential stallholders? What do they want, need and look for in a market?

Outreach to farmers, minorities, immigrants, home businesses, etc.

What are other area markets doing right that you could learn from?

What are other area markets doing wrong that are valuable lessons for LCM?

4) Develop a Design and Master Plan for the Market

Hire a design team to work with the Task Force and develop a community based design process to complete the master plan. In addition to issues raised in this report the plan also need to address:

Structural condition of deck in Market Square

Feasibility of parking deck for Piggly Wiggly

Factor in the role of the Armory and Criminal Justice Center

Options for basement including retail, storage and parking

Possible relocation of visitor center into market

5) Investigate Alternate Management Options

A sub-committee of the task force should look into the need and feasibility of handing the market over to another management entity. This would be the first step towards addressing other market issues such as rules and regulations, fees, leasing and scheduling.

6) Identify and Raise Funds

More and more markets are accessing public and foundation funds. PPS is about to launch an inaugural market grant program for the Ford Foundation and Office of Community Services. Information is available on our website at www.pps.org.

Economic Development Administration (Department of Commerce)

Apply directly to appropriate EDA regional office to obtain additional information. www.doc.gov/eda

USDA

Planning grants to help farmers markets. www.ams.usda.gov/farmersmarkets